

City of Flagstaff

Transaction Privilege Tax Return Instructions

Retain for
Your Records

STEP BY STEP INSTRUCTIONS

Refer to the sample TPT.

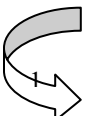
The following numbered instructions correspond to the numbered sections of the sample return.

- 1 If applicable, check the small box to the right. If you are canceling your license, indicate the date you want the license canceled on the line provided in the second box.
- 2 If applicable, check the small box to the right and print the name, address, and phone number of the new owner in the last box.
- 3 **Business Description** identifies your type of business and is preprinted.
- 4 **Bus. Class** identifies your classification of business by stat code and is preprinted.
- 5 **Sfx** is the two digit location suffix and is preprinted.
- 6 **Gross Income (Column 1):** Enter the gross income, including tax collected, for each applicable business class and suffix. Do not round; use exact dollars and cents. If you report on the cash basis, enter the total amount received, including draws for construction contracting, in the reporting period. If you report on the accrual basis, enter the total amount per customer invoices, including progressive billings for construction contracting, in the reporting period.

If you have no income to report, check the box above "Business Description" and sign the return.

If you file quarterly, combine the gross income for the three months and enter the sum for each business class and suffix. **Do not list the income for each month of the quarter.**

- 7 **Deductions (Column 2):** Enter the **total** deductions from the bottom row of the back of the return for each applicable business class and suffix. Refer to steps 18 and 19. Deductions in column 2 which are not itemized on the back of the return will be **DISALLOWED**.
- 8 **Taxable Income (Column 3):** Subtract total deductions in column 2 from gross income in column 1.
- 9 **Tax Rate % (Column 4):** The tax rate for each business class is preprinted, and has been converted to a decimal to compute the tax amount, for example, 1.601% will be shown as .01601.
- 10 **Tax Amount (Column 5):** Multiply column 3 by column 4 for each business code.
If your return consists of more than one page, enter the total of the tax amounts in column 5 from the additional pages on line 5 of the signature page.
- 11 **Line 6:** If more tax was collected than is due, enter the city portion of the excess tax collected.
- 12 **Line 7:** Enter the amount on lines 6 and 7 in column 5. Add lines 1 through 6 in column 5 and enter the result on line 7 column 5.
- 13 **Line 8:** If the return is filed after the last business day of the month, a 10% late payment penalty and late filing penalty of 5% per month or any portion of a month are assessed for late or unpaid taxes. The maximum total of these penalties is 25% of the tax due. Interest of 1% per month accrues on the tax due. Daily interest accrues for fraction of the month. Leave this line blank if you want the City to compute the penalty and interest.



STEP BY STEP INSTRUCTIONS

Refer to the sample TPT.

The following numbered instructions correspond to the numbered sections of the sample return.

- 14 **Line 9:** If you received a notice of a credit balance, enter the amount to be applied to the tax due. Do not exceed the total tax due. The credit notice does not need to be attached.
- 15 **Line 10:** If applicable, subtract the amount on line 9 from line 7, or add the amount on line 8 to line 7, if applicable.
- 16 **Line 11:** Enter the amount of the check. Write your license number on the check, payable to City of Flagstaff. Do not staple the check to the return.

Instructions for Back of Return

Deduction Detail:

- 17 The four columns correspond to the four lines on the front of the return for the business class/description (see step 3, 4). Enter the preprinted business class code below "Bus. Class" in the space provided.
- 18 To the left of the columns are printed deductions. The deduction codes are in a separate column and are for internal purposes only. If a deduction which you are allowed to claim is not listed, enter the name of the deduction on line 19 in the space provided and enter the amount in the column relating to the business class.
- 19 Enter the amount of each deduction on the appropriate deduction line for each preprinted business class.
- 20 **Total Deductions:** Add the deduction amounts in each column and enter the sum at the bottom of the return for each column. Transfer the total of each column to the corresponding line in Column 2 on the front of the return.

CITY OF FLAGSTAFF TRANSACTION PRIVILEGE (SALES) TAX RETURN
P O BOX 22518 FLAGSTAFF, AZ 86002-2518

CITY LICENSE NO. 80012345
REPORT PERIOD 04/2007
THIS RETURN IS DUE ON THE 20TH OF THE MONTH
DELINQUENT IS NOT RECEIVED BY: 05/31/2007

Acme Plumbing
1 East Easy Street
Flagstaff AZ 86001

SAMPLE RETURN

Check Box if there is no income to report,
and sign at bottom.

1 Check box to have a form sent for a change of business location.
1 Check box to have a form sent for sa change of mailing address ONLY. No change to actual business location.
1 Check box and sign at bottom to cancel your license. Reason:
Effective Date:
2 Check box if your business has been sold. Give name, address & phone number of new owner. John Adams, (928)555-1234
2 E. Easy St, Flagstaff, AZ 86001

Table with 11 columns: Business Description, Line, Bus. Class, Sfx, Gross Income, Less: Deductions, =Taxable Income, x Tax Rate, = Tax Amount. Rows include Contracting, Repairs, and a GRAND TOTAL section.

Under penalties of perjury, I declare that I have examined this return and to the best of my knowledge and belief is true, correct and complete.
Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Taxpayer's Signature: Dick Jones
Date: 5/20/2007
Paid Preparer's Signature: 214-1111
Print Name:
Phone #:
Print Paid Preparer's Name:

THIS RETURN MUST BE FILED EVEN IF YOU HAVE NO TAXES TO REPORT
Return original with remittance in envelope provided.

Please make check payable to: CITY OF FLAGSTAFF and include city tax license number on your check.
PLEASE DO NOT STAPLE OR TAPE PAYMENT TO YOUR RETURN. DO NOT SEND CASH.
www.flagstaff.az.gov

CITY OF FLAGSTAFF, ARIZONA

DUE DATE: The due date for the city privilege tax is the 20th of the month following the reporting period. A return is considered timely if received by the last business day of the month. A business day is any day except Saturday, Sunday or a legal city holiday.

POSTMARKS ARE NOT EVIDENCE OF TIMELY FILING.

- PENALTIES**
- 1. Late Filing/Failure to File - A penalty of 5% of the tax will be assessed for each month, or fraction elapsing between the delinquency date of the return and the date on which it is filed. Filing your return on time, whether or not you pay the tax due, will avoid the late filing penalty.
 - 2. Failure to Pay - A penalty of 10% of the unpaid tax will be assessed if the tax is not paid timely.
 - 3. Total Penalty - Total penalties assessed will not exceed 25%.

INTEREST: Taxes received after the delinquency date will be assessed interest at a rate of 1% per month until paid.
The interest MAY NOT be abated by the Tax Collector.

CHECK YOUR RETURN Check the amounts recorded by type of income for each line item as follows.

- * Itemized deductions equal the total deductions recorded.
- * Taxable income equals gross income less total deductions.
- * Tax due is equal to the amount obtained by applying the preprinted tax rate to the taxable income amount.
- * Total tax due equals tax due plus any excess tax collected.

FOR ASSISTANCE, CALL: City of Flagstaff (928) 779-7614

SCHEDULE A - DETAILS OF DEDUCTIONS: Enter below the deductions and exclusions you used in computing your city transaction privilege tax.

You must keep a detailed record of all deductions and exclusions. Failure to maintain proper documentation and records required by city ordinance may result in their disallowance. A separate detail of city records and documentation must be maintained only when the income, deductions or exemptions are different from state requirements.

Please note: Not all deductions are available to all business classifications.

NOTE: The line numbers at the top of each column below correspond with the line numbers of the business descriptions listed on the front page.

		17		19		20	
		Bus. Class		Bus. Class		Bus. Class	
		1700		7600			
		LINE 1		LINE 2		LINE 3	
		LINE 4					
Deductions		Code					
Total Tax Collected or Factored		11	1,890 05	82 25			
State, County & City							
Bad Debts Write-Offs		12					
Sales for resale		3		19			
Service Labor		5		300 00			
Returns and Discounts		2					
Exempt Institutes		13					
Gasoline Sales		16					
Federal Government Sales By Retailer 50% exempt, by Repairer or Manufacturer 100% exempt		4					
Out of City Sales		9					
Out of State Sales		10	19				
Std 35% Contractors Deduction		6	12,223 41				
Subcontracting		7	5,000 00				
Exempt Food Sales		1					
Prescribed Drugs		18					
Prosthetics		17					
Delivery Charge/Freight Out		14					
National Advertising		15					
Other (explain)		19					
Transient Lodging (30 days or more)		20					
Income-Producing Capital Equipment		21					
Impact Fees		22					
Total Deductions		20	19,113 46	382 25			